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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/2007

SPONSOR Anderson LAST UPDATED \_\_\_\_\_ HB 162

SHORT TITLE UNM Institute for Aerospace Engineering SB \_\_\_\_\_

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$777.2	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 221/HB 253, SB 8/HB 79, HB 284/HB 215

Relates to Appropriation in the General Appropriation Act (SB 2/HB 7)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 162 appropriates \$777,200 from the General Fund to the Board of Regents of the University of New Mexico for expenditure in FY 2008 to expand the Institute for Aerospace Engineering.

### FISCAL IMPLICATIONS

The appropriation of \$777,200 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

UNM indicated in its request that \$473,600 is for recurring and \$923,600 for non-recurring expenses. However, HB162 appropriates funding of \$777,200.

## **SIGNIFICANT ISSUES**

The Higher Education Department reports that this request supports the development of new interdisciplinary Aerospace Engineering (AE) programs. Funding is sought for faculty, laboratory equipment, and associated research infrastructure. New academic programs in AE will be created, but not new degree programs. The new academic programs in AE will comprise: 1) a certificate at the undergraduate level using courses cross-listed in the graduate program; 2) a new concentration at the graduate level; and 3) a summer school for high school students.

This proposal was submitted to HED by the University of New Mexico for review, but was not included in the Department's funding recommendation for FY08.

## **PERFORMANCE IMPLICATIONS**

### HED Analysis

UNM shall submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and NMHED by August 1, 2007. The institution shall also submit a program evaluation to the Legislative Finance Committee and NMHED by June 30, 2010 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 221/HB 253 – authorizes New Mexico Finance Authority to provide financing assistance for an aerospace technology warehouse facility in Bernalillo County, an aerospace technology project in Grant County, and an aerospace technology project in Sandoval County.

SB 8/HB 79 – funding for aerospace engineering at New Mexico State University.

HB 284/HB 215 – authorizes the State Investment Officer to invest in certain New Mexico aerospace businesses.

General Appropriation Act (SB 2/HB 7) – make appropriations for NMSU aerospace engineering.

## **ALTERNATIVES**

An alternative is to assess whether an accredited AE degree program should be established to accord with UNM's stated goals in AE education, research, and development.

**BM/sb**